

Opening Statement
Chairman Michael G. Oxley
Committee on Financial Services

H.R. 3995
The Housing Affordability for America Act of 2002

June 20, 2002

The Committee meets today to markup H.R. 3995, The Housing Affordability for America Act of 2002.

This bill was introduced on March 19, 2002. Today's print is a culmination of 13 hearings, numerous suggestions and discussions, and a bipartisan agreement in the Subcommittee two days ago.

In a June 9 Washington Post column, entitled "Housing on the Back Burner," David Broder wrote, "You could call [housing] the forgotten issue – except for the fact that in almost every city...the shortage of affordable housing is close to the top of people's concerns."

Moreover, a recent poll conducted by Peter Hart and Robert Teeter found that the shortage of affordable housing ranks second only to health care costs as a concern for citizens. It topped jobs, crime and the environment as the problem uppermost on their minds.

Today's bill is a good start in addressing those issues. It makes mid-course corrections to current housing programs to address the growing need in our cities for better partnerships with local and state governments to encourage the development of affordable housing.

While we continue to promote homeownership as the foundation for strengthening our communities and families, we must also build on that foundation by providing affordable rental housing opportunities. A working family will struggle to save for homeownership if they are spending over 50 percent of their income on rental housing.

While this bill does not provide the panacea for solving or addressing all of our housing problems, it begins to provide the initiatives that we know are doable and make sense in this Congress.

This bill includes some demonstration programs that will provide clues on how to address certain issues in the next Congress. Before we authorize significant sums of taxpayer dollars for housing programs, we should have a clear picture of the pros and cons, the practicalities, and any misguided theories.

The bill includes:

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- A housing production and preservation program targeted toward extremely-low-income families. It provides flexibility to local officials so they can better meet the needs of their individual communities.
- Additional tools for the FHA program to encourage homeownership opportunities and to increase the supply of affordable rental housing for all Americans.
- Authorization to rehabilitate and preserve existing elderly housing and to convert existing elderly public housing to assisted living.
- A provision for public safety officers to qualify for reduced downpayments and HUD-properties at a discounted price.
- A provision to require a housing impact analysis for new federal agency rules to alert us to any needless regulation that adds to the cost of housing. By reducing the cost of regulation, we can lower the cost of homeownership.
- Authorization of HOPE VI, Housing Opportunities for Persons With AIDS, the Homeless Housing Programs, and the Native American Housing Act.

I also want Members to know that to the extent certain portions of any of these provisions may be subject to points of order related to conflicts with appropriations, we will address those points before moving to the floor for full House consideration.

This bill has the support of the National Association of Home Builders, Mortgage Bankers Association, National Association of Realtors, U.S. Conference of Mayors, National League of Cities, Consumer Mortgage Coalition, Local Initiatives Support Corporation, National Multi Housing Council, Habitat for Humanity, as well as many other organizations.

I look forward to sending this legislation to the floor.

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